

PROCUREMENT OF STRATEGIC MATERIALS

Exchange of notes at Bogotá March 29, 1943

Entered into force March 29, 1943

58 Stat. 1546; Executive Agreement Series 442

The Acting Minister of Foreign Affairs to the American Ambassador

[TRANSLATION]

MINISTRY OF
FOREIGN AFFAIRS

Bogotá, March 29, 1943

No. CM-336

MR. AMBASSADOR:

I have the honor to inform Your Excellency that the Government of Colombia, in its desire to increase its contribution to hemispheric defense and mindful of Resolution XV of Havana approved by Law number 20, 1941, of the Republic of Colombia, and the resolutions adopted by the Conference of Ministers at Rio de Janeiro on strategic materials, is disposed to facilitate the exploitation and production of such materials within its territories, as follows:

I. The Government of Colombia will make available to the Government of the United States of America, or to the respective official entities of that Government, all the basic or strategic materials necessary for the defense of the hemisphere found on public property. The exploitation and production of such items will be effected in accordance with the laws governing such matters.

II. The Government of Colombia will take the necessary steps to assure exclusive export to the United States of America of basic and strategic materials found on private property or produced by private individuals. Such exportation may be effected through the agencies of the Government of the United States or directly by interested parties. The foregoing does not imply any exclusive right of exploitation, production, purchase, sale, transportation, or commerce in such materials or products within the territory of the Republic to any person or entity whatsoever.

III. The Government of the United States will periodically inform the Colombian Government confidentially of such items considered as basic or strategic for the purpose of carrying out this agreement. The Government of

Colombia reserves the right to fix, in agreement with the Government of the United States and when it is considered desirable in view of the conditions of production and internal commerce, the minimum prices at which the agencies of the United States in Colombia will purchase specified articles from producers or owners. In such cases the two Governments will decide in common agreement the date from which such minimum prices shall enter into force. It is understood that until minimum prices are established for a specific product, in accordance with the understanding on this point, the agencies of the United States in Colombia shall be entitled to purchase this product at current market prices, without prejudicing the right of reimbursing the sellers for the differences in prices whenever it is desired that the date for the establishment of such minimum prices shall be retroactively fixed.

IV. The Government of Colombia reserves the right to retain such quantities of basic or strategic materials which in its judgement are essential to satisfy the minimum necessities of its internal consumption and will take appropriate steps to prevent the accumulation of such products on the part of the producers, owners, or intermediaries. The Government of the United States, in order to estimate the amounts available of certain products, may request of the Government of Colombia periodical statements of the quantity of such products that are essential for internal consumption for a specified period of time.

V. The Government of the United States of America or its agents may construct upon prior agreement of the Government of Colombia all the necessary works for the development of production and transportation of the articles referred to in this agreement. The Government of Colombia will place at the disposal of the Government of the United States or of its agents, land and materials which it owns that are necessary for the construction of such works, which shall remain under the exclusive direction of the Government of the United States. It is understood that as soon as the activities of exploration, exploitation and transportation are carried on by the Government of the United States or its agents, the permanent works executed in lands administered by the Government of Colombia shall revert to its exclusive ownership in accordance with the terms and conditions agreed upon in each specific case; and the equipment and movable installations belonging to the Government of the United States may be exported freely without restriction or tax. If on the termination of the works of exploration, exploitation or transportation, the Government of Colombia should be interested in acquiring such equipment or movable installations, the two Governments shall study the possibility of such acquisition and will agree on the conditions under which they shall be carried out. The appropriate governmental agencies of Colombia will agree with the respective agencies of the Government of the United States upon the plans for the execution of such works and the conditions under which they will be carried out and will take the necessary

administrative steps to assure their fulfilment; they shall also regulate in common agreement as to the official and private use of such works so as not to interfere with the fulfilment of the primary objectives for which they are intended. The obligations assumed in carrying out this point by an authorized agency of the Government of the United States or any administrative department of the Government of Colombia will be obligatory upon the respective Governments.

VI. The technical and administrative personnel employed by the Government of the United States of America or its agents in Colombia in carrying out this agreement either in its offices or in its agencies and exploitations shall be preferably of Colombian or United States nationality. To assure agreement between both parties in this respect, the Government of the United States of America will make known beforehand to the Government of Colombia the names and functions of the persons it wishes to employ indicating the place in which those functions will be exercised.

VII. The Government of the United States of America or its agents, in carrying out the activities referred to, in this agreement, will grant to the Colombian personnel which it employs the social securities and provisions which the Colombian law provides and will be responsible for the expenses of round-trip transportation of these workmen or groups of workmen who may be contracted in places other than those in which they are to work.

VIII. The Government of Colombia is agreeable to authorize the Government of the United States of America or its agents exemption from customs duties or other charges, national, departmental, or municipal for the necessary elements imported for the stimulation of production or exploitation of materials referred to in this agreement, as follows:

- a) Tools, machinery, and equipment used for the purpose of exploitation or production of such materials;
- b) Equipment and machinery to be used in the construction of the facilities which must be implemented in accordance with point V;
- c) Drugs and food products for the commissaries to be established in the areas of exploitation and production;
- d) Means of transportation, such as automobiles, trucks, and barges, etc., necessary for the furtherance of the activities to which this agreement refers;
- e) Small arms and ammunition for hunting and to be used for personal defense in remote regions in accordance with the laws regulating such materials and whenever this is the case, upon the prior authorization of the Ministry of War;
- f) Such other materials which are not available in Colombia and which may be necessary for the furtherance of the activities to which this agreement refers.

It is understood that drugs, foods and other products imported by official entities of the Government of the United States under this agreement and in-

tended for sale in production or collection centers through commissaries or other means shall be sold at a price not in excess of cost of such articles at the point of sale.

The exemptions provided for in Article VIII shall be requested by the Government of the United States or its agents from the Ministry of Hacienda through the Ministry of National Economy.

IX. The capital imported into the country by the Government of the United States of America or its agents for the furtherance of its activities to which the present agreement refers will be exempt from the obligations established by Law 45 of 1942 and from any other charges or restrictions of any nature whatsoever. The Government of the United States of America or its agents will make application to the Ministry of Hacienda and Public Credit through the Ministry of National Economy.

X. The Government of Colombia will exempt the Government of the United States of America and its agents and employees who are not citizens of Colombia from such taxes as rent, personal property, income, and any other encumbrances with reference to the activities which they will undertake in view of the present agreement. It is understood that this exemption does not include those specific duties or taxes now established or which in the future may be established with reference to the production, commerce or export of strategic materials or basic raw materials, covered by this agreement. The Government of the United States of America or its agents will convey to the Ministry of Hacienda and Public Credit the necessary information and data in order to effect such exemption.

XI. The Governments of Colombia and the United States of America, taking into account the necessities of continental defense and the conveniences of both countries, will determine in common agreement the date on which the present arrangement is to be terminated, provided that, if the agreement is still in force when the United States shall have ceased to be at war, either party may terminate the agreement upon giving notice six months in advance.

I take advantage of this opportunity to renew to Your Excellency assurances of my highest and most distinguished consideration.

The Acting Minister of Foreign Affairs

A. GONZÁLEZ FERNÁNDEZ

His Excellency

ARTHUR BLISS LANE

*Ambassador Extraordinary and Plenipotentiary
of the United States of America.
City.*

The American Ambassador to the Acting Minister of Foreign Affairs

EMBASSY OF THE
UNITED STATES OF AMERICA

No. 189

Bogotá, March 29, 1943

YOUR EXCELLENCY:

I have the honor to acknowledge the receipt of Your Excellency's note no. CM-336 of March 29, 1943, reading in translation as follows:

[For text, see Colombian note, above.]

I have the honor to inform Your Excellency that my Government confirms the aforementioned agreement.

I avail myself of this opportunity to renew to Your Excellency the assurances of my highest and most distinguished consideration.

ARTHUR BLISS LANE

His Excellency

Señor don ALBERTO GONZÁLEZ FERNÁNDEZ,
Acting Minister of Foreign Affairs,
Bogotá.